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Viewing cable 08ASUNCION661, XXXXXXXXXXXXXXXX CONCERNED ABOUT REGIONAL POLITICS

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#08ASUNCION661**.

Reference ID	Created	Released	Classification	Origin
08ASUNCION661	2008-09-22 18:37	2011-08-30 01:44	SECRET//NOFORN	Embassy Asuncion

Appears in these articles:

<http://www.abc.com.py/nota/largas-reuniones-nunca-trascendidas-de-evo-chavez-y-lugo-durante-asuncion-presidencial/>

VZCZCXYZ0000
OO RUEHWEB

DE RUEHAC #0661/01 2661837
ZNY SSSSS ZZH
O 221837Z SEP 08
FM AMEMBASSY ASUNCION
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7270
INFO RUCNMER/MERCOSUR COLLECTIVE PRIORITY
RUEHBO/AMEMBASSY BOGOTA PRIORITY 0630
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 3204
RUEHCV/AMEMBASSY CARACAS PRIORITY 0380
RUEHLP/AMEMBASSY LA PAZ SEP 3883
RUEHUB/USINT HAVANA PRIORITY 0174
RHEHNCS/NSC WASHDC PRIORITY
RHMFISS/HQ USSOUTHCOM MIAMI FL PRIORITY
RHMFISS/USSOCOM MACDILL AFB FL PRIORITY

S E C R E T ASUNCION 000661

NOFORN
SIPDIS

WHA/FO CMC MULLEN, WHA/BSC MDRUCKER, BFRIEDMAN, MDASCHBACH

E.O. 12958: DECL: 3.3 (X1,X6)

TAGS: [PGOV](#) [SNAR](#) [MARR](#) [ECON](#) [PREL](#) [MASS](#) [PA](#) [BL](#)
SUBJECT: XXXXXXXXXXXX CONCERNED ABOUT REGIONAL POLITICS

Classified By: DCM Michael J. Fitzpatrick; reasons 1.4 (a),(b), (c) and (d).

1. (S/NF) SUMMARY: XXXXXXXXXXXX sought an unofficial meeting with Emboffs September 13 to discuss the Bolivian crisis and regional spillover. XXXXXXXXXXXX said Venezuela has a presence in virtually all of Bolivia's military bases, and that Venezuela's center of operations is in San Andita. The Venezuelans enter Bolivia via Chimore using a PDVSA plane which has a special compartment to carry cash and arms to Bolivia. XXXXXXXXXXXX said Bolivian Minister of the Presidency de la Quintana manages the Venezuelan (and other) money flowing into Bolivia. XXXXXXXXXXXX told the DCM that both Venezuelans and Cubans are engaged in underground operations to organize marches and foment social unrest and planned to blame such unrest on the political opposition. He provided some background on the Bolivian armed forces' annoyance with Chavez' interference in Bolivia's internal affairs, and described the Bolivian military's drug eradication efforts as a farse. The Bolivian defense attach said La Paz instructed its ambassador to Paraguay to tell Ambassador Ayalde, during her September 12 courtesy call on him, that U.S. Ambassador Goldberg was the problem, not the United States.

2. (S/NF) SUMMARY CONTINUED: Shifting his focus to Paraguay, XXXXXXXXXXXX said a PDVSA plane arrived Asuncion's First Brigade Air Base August 14 and departed August 16, and told the DCM about a clandestine meeting between Presidents Chavez, Morales and Lugo late on August 15 following Lugo's inauguration. XXXXXXXXXXXX predicted that Lugo would follow the Chavez line, although he declined to state why and admitted that it was early to make such a prediction. XXXXXXXXXXXX said the United States has so far failed to impact Morales with its policies, and that it should come down hard on counternarcotics and bulk up USAID's presence in Bolivia. XXXXXXXXXXXX appeared to be a thoughtful and credible interlocutor, although he hails from Santa Cruz and probably has some regional biases. END SUMMARY.

3. (S/NF) Embassy Asuncion officers met with XXXXXXXXXXXX, at his request Saturday September 13 to discuss the Bolivia crisis and regional spillover. XXXXXXXXXXXX (strictly protect) originally requested a meeting with Embassy DATT and Ambassador, who XXXXXXXXXXXX knew had previously served in Bolivia. Instead, DCM and Pol/Econ Chief joined the XXXXXXXXXXXX for a late September 13 meeting. XXXXXXXXXXXX, who spent XXXXXXXXXXXX at Fort Benning (and was named XXXXXXXXXXXX), and whose XXXXXXXXXXXX and several siblings reside in the United States, painted himself as an institutionalist worried about recent events in Bolivia and the region. XXXXXXXXXXXX said he worries Bolivia is adopting economic systems that "haven't worked anywhere," and that Bolivians' freedoms are being undermined. He admires the United States, and said he felt that someone should share information with us, as Bolivian military officials have little ability to speak freely to U.S. Embassy officials in La Paz. XXXXXXXXXXXX, who is first in his class, is likely to be promoted to XXXXXXXXXXXX soon, but believes he will be given an unimportant onward assignment back in La Paz.

VENEZUELAN PRESENCE IN BOLIVIA

4. (S/NF) XXXXXXXXXXXX said Venezuela has a presence in virtually all of Bolivia's military bases, and that Venezuela's center of operations is at the Escuela del los Condores (Special Forces School) in San Andita. San Andita, he said, served as the base for the August terrorist attack against a public radio in Yacuiba, for which a Bolivian first lieutenant was implicated and put in prison. (NOTE: XXXXXXXXXXXX said the officer had a carnet to work in the presidential palace and was formally assigned to La Paz. END NOTE). The XXXXXXXXXXXX said Venezuela was training Bolivian civilians as paramilitaries-- providing them with training on

political organization doctrine and weapons/military tactics.

He also noted a strong Venezuelan presence in the MAS-controlled Yapakani, where a Chavez confidant (an ex-minister or vice minister) directs Venezuelan operations and training. He reported that 43-48 Venezuelan military officers are based in Riberalta purporting to serve as military engineers. In the Beni, he said 18-25 Venezuelan military officers claim to be working to prevent flooding; approximately 80 Cubans are working in the same area. He said Venezuela continues to provide training for Morales' presidential guard regimen, and that exchanges are ongoing. XXXXXXXXXXXXX said and that around 200 Bolivian civilians have departed San Andita for Caracas this year (most from the Altiplano, Achchachi, El Alto and Oruro); while some visited Venezuela for 45 days, at least one group stayed in Venezuela for three months.

¶15. (S/NF) According to XXXXXXXXXXXXX the Venezuelans enter Bolivia via Chimore using a PDVSA plane which has a special compartment to carry cash (dollars) and arms to Bolivia. XXXXXXXXXXXXX said Chavez publicly bought Bolivian cooperatives with branches in Chimore and La Paz to change the dollars into bolivianos. (NOTE: He thought the cooperatives operate under the names Prodem, Finsa, or Banco del Sol. END NOTE). The money, he said, is dispersed to lower level military commanders for ""projects,"" but continues to flow after the projects are completed. He estimated that USD 500,000-600,000 flows weekly into the Chapare from Venezuela, with each military unit commander receiving between USD 10,000-50,000 a month, depending on rank and level of command. XXXXXXXXXXXXX lamented that the military officers are pressured to join the scheme, and that the cash payments are undermining the Bolivian military as an institution. He also commented that international financier George Soros (Amcit) is funding activities in Bolivia.

¶16. (S/NF) XXXXXXXXXXXXX said Bolivian Minister of the Presidency Juan Ramon de la Quintana manages the Venezuelan and other illicit money flowing into Bolivia. He said Bolivian customs recently stopped several containers being transported via land through Bolivia to Brazil containing over USD 1.5 million in Chinese contraband. XXXXXXXXXXXXX said Quintana personally ordered Bolivian customs to release the trucks. He also alleged that as minister of the presidency and president of Bolivia's state television station, Quintana manages several high-end contracts for purchases of goods, which he uses to generate off-the-books revenues by purchasing items for 3-4 times their value. XXXXXXXXXXXXX also reported that Venezuela's ambassador to Bolivia and Venezuela's military attach frequently travel back and forth between Bolivia and Venezuela.

¶17. (S/NF) XXXXXXXXXXXXX told the DCM that both Venezuelans and Cubans are engaged in underground operations to organize marches and foment social unrest (possibly including deaths) in order to blame such unrest on the political opposition. He speculated that the Venezuelans and Cubans might engage in tactics such as kidnappings and terrorist acts (possibly including against American citizens) in order to set up the victims as ""spies."" He cited a terrorist act to blow up a gas duct to Brazil as an example of such an activity.

BOLIVIAN MILITARY REACTION

¶18. (S/NF) XXXXXXXXXXXXX also provided some background on the Bolivian armed forces' annoyance with Chavez' interference in Bolivia's internal affairs. He said Bolivian Armed Forces Commander Trigo went to President Morales and told him the military was unhappy and demanded that he respond to Chavez' actions and statements. Trigo reportedly told Morales that his troops insisted on a public statement, and that if Trigo didn't issue one, someone else would. Trigo, along with the other armed forces commanders, offered their resignations to Morales. Morales refused their resignations and approved issuance of their statement on September 12, but criticized Trigo for not being able to control his own people.

XXXXXXXXXXXX believed Morales will change all of Bolivia's service commanders by December, and said Morales realizes that doing so now would only add to the appearance of a crisis. He said General Arambulo or General Ramiro de la Fuente (Quintana ally) are leading candidates for Army commander. He also noted that the military is increasingly worried about its role in the conflict, and that if orders are given to shoot, will want them in writing.

DRUG CONNECTIONS

¶9. (S/NF) XXXXXXXXXXXX asserted the Bolivian military's drug eradication efforts are a farse. He said the units go out and move around so it looks like they are eradicating, but that they distort eradication numbers. XXXXXXXXXXXX felt sure that Bolivian drug money is going to the FARC, which he said is active in the Chapare. He said they had confirmed that Colombians are working in the Chapare with Venezuelans and campesinos to train them for social protests, and that they knew the Colombians were not official. He also believed Chavez is involved in the Bolivian drug trade.

PERSONA NON GRATA

¶10. (S/NF) XXXXXXXXXXXX said he read La Paz's instructions to its ambassador in Paraguay, Marco Antonio Vidaurre Noriega, which Vidaurre was to deliver to Ambassador Ayalde during her September 12 courtesy call on him. The instructions, according to XXXXXXXXXXXX, said U.S. Ambassador Goldberg was the problem, not the United States. (NOTE: Ambassador Vidaurre did not strictly comply with his instructions in him meeting with the Ambassador, but downplayed the escalation of conflict between the U.S. and Bolivia and blamed the press for exaggerating it. END NOTE).

XXXXXXXXXXXX discounted the instructions, however, saying that President Morales doesn't dislike only Ambassador Goldberg, but President Bush and all Republicans in general, and believes that Barack Obama is a better option for Bolivia as he is not likely to be as hard line. He said Morales' prohibition on U.S.-Bolivian mil-to-mil contact further demonstrate that Morales does not actually believe that Ambassador Goldberg is the problem. He said Goldberg's insistence that Bolivia meet its international obligations was an obstacle for Morales, and that narcos and others want to operate freely in Bolivia. He explained that despite the lack of any history of U.S. repression of Bolivians, campesinos applaud their leaders for standing up to the United States as they believe they have been subject to U.S. neoliberal demands and associate the United States with robbing Bolivia's natural resources.

VENEZUELAN ACTIVITIES IN PARAGUAY

¶11. (S/NF) Shifting his focus to Paraguay, XXXXXXXXXXXX said a PDVSA plane (Falcon aircraft) arrived Asuncion's First Brigade Air Base August 14, the day before Lugo's inauguration, and departed August 16 (with no checks or inspections), and told the DCM about a clandestine August 15 meeting between Presidents Chavez, Morales and Lugo. (XXXXXXXXXXXX accompanied President Morales to the meeting but waited outside). The three presidents traveled in and out of three different locations (using back exits and changing cars) before arriving at the Venezuelan ambassador's residence. Once there, they met for 2 hours and then moved to the Hotel Excelsior, where Chavez and Morales met for four more hours (until 2 a.m.); Lugo departed the hotel earlier, around 12:30 a.m.

¶12. (S/NF) XXXXXXXXXXXX predicted that Lugo would follow the Chavez line, although he declined to state why and admitted that it was early to make such a prediction. He said Lugo had promised to get Chavez into Mercosur (NOTE: Paraguay's

congress will decide that issue) and worried about increasing contact between Lugo and the leftist social movement Tekojoja (part of Lugo's political alliance) and Bolivian social movements. He said Tekojoja and the P-MAS are clearly Chavez' contacts in Paraguay, and that a new radical group called Nanduti (the Guaraní word for spider web) has been receiving funding and meeting at the Bolivian embassy in Asunción. He said Tekojoja claims to "represent Lugo" and that September 11 Tekojoja representatives flew to Bolivia via a private plane to work with social groups there. He also said Lugo has traveled to Bolivia three times in past months -- once before the April 20 election and twice after. On the first occasion, when Lugo traveled with then-President Duarte, Chavez made clear that he had picked Lugo over Duarte, which created an evident strain between Duarte and his successor.

ADVICE FOR THE UNITED STATES

¶13. (S/NF) XXXXXXXXXXXXX said the United States has so far failed to impact Morales by throwing out Bolivia's ambassador to the United States (this meeting occurred days before the USG decertified Bolivia). He asserted that cutting off ATPDEA assistance would have no impact, as Chavez promised to compensate Morales for the loss of U.S. assistance. He pointedly asked us "what it will take for the United States to respond?" XXXXXXXXXXXXX said the Bolivian military wanted to "make" Morales and the opposition talk to each other, but that they needed international support. However, he was pessimistic about the ability of the OAS (which he said was biased), European Union, United States, Mercosur, or the Catholic Church to play that role. XXXXXXXXXXXXX said that even if both sides enter into a dialogue, the strife will continue.

¶15. (S/NF) XXXXXXXXXXXXX said the United States should come down hard on counternarcotics (or else Chavez and narcotraffickers will flourish) and bulk up USAID's presence in Bolivia. If we end our assistance, he said, the Bolivian people will become so brainwashed that the country will have no chance of recuperating in the next 20 years. He said we should continue to work visibly where people want USAID to work, and to focus on national leaders and training/education. He encouraged the U.S. Embassy in La Paz to look for opportunities for humanitarian assistance projects that could be used to maintain ties with the Bolivian military. He also said the Embassy should work with student leaders, as well as some "rational" indigenous actors such as Rufo Calle, Isaac Avalos and (the CA delegate who fell and hurt his head). He warned that Ministers de la Quintana, Rada and San Miguel are "the most radical" of Morales' cabinet, and said he thinks things will get worse for Bolivia, and possibly Paraguay as well.

COMMENT

¶16. (S/NF) XXXXXXXXXXXXX appeared to be a thoughtful and credible interlocutor, although he hails from XXXXXXXXXXXXX and probably has some regional biases. He also may be exaggerating the Venezuelan angle in Bolivia in order to get gain attention from the United States. On Paraguay, his views of Lugo are pessimistic, although certainly not out of line with concerns that some other opposition politicians share about Lugo aligning himself with Chavez.

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AYALDE